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58-4711

Reports

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director (Support) *151 K W* DEC 1 1958

SUBJECT : Briefing of the President's Board

1. At the DD/S Staff Luncheon Meeting on 24 November 1958, you requested that I give you a note listing briefly the items that the President's Board might further discuss with you as a result of our briefing of that Board on 20 November 1958. Therefore, you are informed as follows:

a. The Board was interested in pursuing to what extent the Comptroller influences the size and content of the Agency budget. It was explained that the Comptroller serves as financial advisor to the FRC and holds hearings on the budget with respect to the financial aspects, but that the Comptroller does not have responsibility for the substantive operational content of the budget. It appeared that the Board was seeking an independent point for evaluation of DD/P operations separate and apart from the DD/P itself. As you know, this point has been raised by others, including the Bureau of the Budget.

b. Gen. Doolittle requested that we provide him with a statement showing the budgets and corresponding obligations and expenditures for the Fiscal Years 1950, 1954, 1955, 1956, 1957, 1958, 1959 and 1960. Upon presentation of this statement to Gen. Doolittle considerable discussion ensued as to the total cash disbursements of the Agency during a fiscal year (regardless of when the related obligations were incurred) compared to the budget for the same fiscal year. Gen. Doolittle stated that he wished to study the figures and perhaps would ask for further information at a later date.

c. Gen. Doolittle asked for a statement showing by fiscal years, the budget, obligations and expenditures, both actual and anticipated, with respect to the new building. He did not indicate the purpose of this statement but there was an inference that he would wish to discuss this further at a later date.

d. The Board appeared to be concerned with the fact that our operating budget plus releases from the reserve has been showing an upward trend. We explained and discussed the reasons for these

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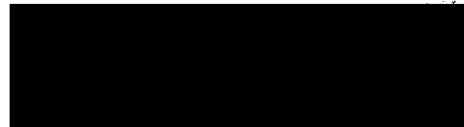
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increases but they did not seem to be satisfied that necessary new programs or increases in programs could not be absorbed by decreases of other programs or activities.

e. The Board seemed concerned with the increase of personnel since 1954 and particularly dwelled on the fact that while overseas personnel have decreased since June 1957, departmental personnel have continued to increase. They referred to departmental personnel as "overhead" and while we, of course, defended this as not being a proper term to apply to all of the personnel at Headquarters, this seems to be an impression which also may result in further discussion.

f. The Agency reserve was discussed at considerable length and at their request we provided them with a statement showing the amount of the reserve by fiscal year and the usage by fiscal years. There did not seem to be any doubt in their minds that such a reserve is necessary but apparently there is a question in their minds as to the amount necessary.

2. If you would like to have any enlargement on any of these items, please call upon me to do so at your convenience.



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Acting Comptroller

Compt:RHF/epr (28 Nov 58)

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